



Board of Directors

Agenda Item #6

**Resolution approving an increase in 4% LIHTC and
changes to Cyrus Homes**

October 12, 2016

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LOUISIANA HOUSING CORPORATION

The following resolution was offered by Director _____ and seconded by Director _____:

RESOLUTION

A resolution authorizing and approving the issuance of an addition of forty-six thousand, eight hundred eighteen dollars (\$46,818.00) for a total reservation of two hundred eighty-eight thousand, eight hundred and eighteen dollars (\$288,818.00) in 4% Non-Competitive Low Income Housing Tax Credits to Cyrus Homes, (939 McKinley Street, Jennings, Jefferson Davis Parish, Louisiana); and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Corporation (the "Corporation") has been ordered and directed to act on behalf of the State of Louisiana (the "State") in allocating and administering programs and/or resources made available pursuant to Section 42 of the Internal Revenue Code (the "Housing Tax Credit Program"); and

WHEREAS, the Corporation approved the form of certain applications, documents, agreements and proceedings related to the Housing Tax Credit Program; and

WHEREAS, Taxpayer/Owners of Cyrus Homes, a tax-exempt bond financed project, submitted an original request for two hundred forty-two thousand dollars (\$242,000.00) in 4% Low-Income Housing Tax Credits and was approved at the September 2013 Board of Directors' Meeting; and has subsequently submitted a request for an additional forty-six thousand, eight hundred eighteen dollars (\$46,818.00) in 4% credits; and

WHEREAS, staff has reviewed and recommends the request for an additional forty-six thousand, eight hundred eighteen dollars (\$46,818.00) for a total reservation of two hundred eighty-eight thousand, eight hundred and eighteen dollars (\$288,818.00).

NOW THEREFORE BE IT RESOLVED by the Board of Directors (the "Board") of the Louisiana Housing Corporation, acting as the governing authority of said Corporation:

SECTION 1. The reservation and/or allocation of additional 4% credits in the amount of forty-six thousand, eight hundred eighteen dollars (\$46,818.00) is hereby made to the project Cyrus Homes in the amounts specified above.

SECTION 2. The Corporation's staff and counsel are authorized and directed to prepare the forms of such documents and agreements as may be necessary to implement the Board's actions.

SECTION 3. The Chairman, Vice Chairman, Executive Director and/or Secretary of the Corporation be hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Corporation, the terms of which are to be consistent with the provisions of this resolution as approved by the Corporation's General Counsel and LIHTC Program Counsel, Foley & Judell, L.L.P.

This resolution having been submitted to a vote, the vote thereon was as follows:

Chairperson

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation, do hereby certify that the foregoing two (2) pages constitute a true and correct copy of the resolution adopted by said Board of Directors on August 13, 2014, entitled: “A resolution authorizing the addition of forty-six thousand, eight hundred eighteen dollars (\$46,818.00) for a total reservation of two hundred eighty-eight thousand, eight hundred and eighteen dollars (\$288,818.00) in 4% Low Income Housing Tax Credits to Cyrus Homes, (939 McKinley Street, Jennings, Jefferson Davis Parish, Louisiana); and providing for other matters in connection therewith”.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 12th day of October 2016.

Secretary

(SEAL)

Reason for Requested Reprocessing

- Requesting approval of an additional forty-six thousand, eight hundred eighteen dollars (\$46,818.00) of 4% LIHTC for a total reservation of two hundred eighty-eight thousand, eight hundred and eighteen dollars (\$288,818.00)
- These additional credits are required due to unforeseen construction cost increases including concrete and other related issues discovered during construction such as the city elevation requirements for sewer ties by the Project.

Project History and Previous Board Action

- **LIHTC/Bond approval** – At the LHC September 2013 Meeting

Reprocessing Involves the Following Changes

	Approved	Reprocessing	Increase/(Decrease)
1.) No. of Buildings	16	16	0
2.) No. of Units	32	32	0
3.) Unit Size (sq.ft.)	1,294	1,294	0

Project Specifics

New Construction Costs

Hard Costs	\$5,448,780.00
Soft Costs	\$1,754,224.00
Acquisition Costs	\$131,000.00
Total Costs	\$7,334,004.00

Unit Mix

1 Bedroom Units	
2 Bedroom Units	4
3 Bedroom Units	28
4 Bedroom Units	
Total Units	32

Development Costs:

	Approved	Reprocessing	Net Change
Total Development Cost	\$6,144,011.00	\$7,334,004.00	\$1,189,993.00
Total Cost/Unit	\$192,000.72	\$229,187.63	\$37,186.91
Total Square Feet	42,852	42,852	0
Total Cost/SF	\$143.00	\$171.15	\$28.15

Funding Sources:

First Mortgage	\$935,000.00	\$1,030,000.00	\$750,000.00
Second Mortgage	\$0.00	\$0.00	(\$0.00)
CDBG Funds	\$3,200,000.00	\$3,620,000.00	\$420,000.00
Gross Tax Credit Equity	\$2,074,738.00	\$2,425,829.00	\$351,091.00
HOME Funds	\$0.00	\$0.00	\$0.00
DDR Loan	\$0.00	\$116,636.00	\$0.00
Deferred Developer Fee & loan	\$199,016.00	\$248,865.00	\$49,849.00
Reserves & Community Facil.	(\$264,743.00)	(\$107,326.00)	\$157,417.00
Total	\$6,144,011.00	\$7,334,004.00	\$1,189,993.00

Estimated Economic Impact*

*Estimated using the National Association of Home Builders (NAHB) economic model

	During Construction (One-Year Impact)	Post-Construction (Annual Impact)
Local Employment Income	\$2,528,000.00	\$768,000.00
Local Employment Taxes	\$264,640.00	\$141,120.00
Local Jobs	39	10
SBC/MRB Fees	\$4,500.00	
Annual Administrative Fee	\$4,500.00	
LHC Application/Reprocessing Fees	\$500.00	\$0.00
Compliance Monitoring Fees	\$160.00	160.00

Area Demographic Profile

Source: GNOCDC analysis of data from U.S. Census 2000 Summary File 3 (SF3) and 2012 American Community Survey; GNOCDC analysis of Local Employment Dynamics, U.S. Census Bureau; and ESRI Demographics 2012, Novogradac & Company LLP, June 2013

Jefferson Davis Parish	
	2007-2011
Median Household Income	\$43,585.00
People living in poverty	13.5%
People living at or above poverty	86.5%
Workers earning \$14,999 or less	11.1%
Workers earning \$24,999 or less	22.1%

No. of Units AMI Annual Qualifying Income Limit

4	30%	N/A
2	20%	N/A
26	60%	
0	-	Market Rate

Occupancy Profile

Source Citation: U.S. Department of Housing and Urban Development (HUD) AMI Limits as of 12/11/2012

Examples of Occupations in New Orleans in the 50-60% AMI Category

Construction	Bus Drivers	Hotel Clerks	Paramedics & EMTs
Nursing Aides & Orderlies	Office Clerks	Executive Secretaries	Firefighters
Retail Sales	Teacher Assistants	Bank Tellers	Judicial Law Clerks
Tax Preparers	Childcare Workers	Security Guards	Administrative Assistants

Projected Major Area Employers

Local School Systems	Medical Facilities
Service Sector	Retail Trade
Industrial	Private Industry

Cyrus Homes, LP
Side by Side Cost Analysis

Activities	Application	Completion	Difference
Acquisition Costs	130,000	131,000	1,000
Construction Hard Costs:			-
Concrete	398,414	703,716	305,302
Masonry	40,313	65,433	25,120
Metals	37,151	14,735	(22,416)
Rough Carpentry	508,488	599,276	90,788
Finish Carpentry	464,817	475,442	10,625
Insulation	79,444	63,404	(16,040)
Roofing	86,559	95,774	9,215
Sheet Metal	31,620	-	(31,620)
Doors	59,295	73,962	14,667
Windows	76,676	49,371	(27,305)
Drywall	237,182	225,071	(12,111)
Painting and Decorating	171,142	102,679	(68,463)
Specialties	-	24,705	24,705
Cabinets	90,908	147,952	57,044
Appliances	80,630	88,500	7,870
Blinds and Shades	23,718	-	(23,718)
Carpets	110,669	116,953	6,284
Plumbing and Hot Water	232,011	255,330	23,319
Heat and ventilation and AC	152,564	151,687	(877)
Electrical	178,258	204,870	26,612
Accessory Structures	250,000	-	(250,000)
Earth Work	218,176	563,150	344,974
Site Utilities	84,990	248,932	163,942
Roads and Walks	245,783	479,092	233,309
Lawns and Plantings	94,222	144,587	50,365
General Requirements	237,181	282,054	44,873
Overhead	79,061	61,905	(17,156)
Builder's Profit	237,182	207,644	(29,538)
Hard Cost Contingency	121,000	-	(121,000)
Construction Hard Costs Total:	4,627,454	5,446,224	818,770
Soft Costs:			
Architect's Fee - Design	135,000	135,000	-
Architect's Fee - Supervisory	20,000	20,000	-
Interest During Construction	126,571	111,704	(14,867)
Taxes During Construction	20,000	-	(20,000)
Insurance During Construction	23,500	28,467	4,967
Financing Fee (Construction)	46,500	24,800	(21,700)
Financing Fee (Permanent)	18,250	15,565	(2,685)
Title and Recording Costs	28,500	51,153	22,653
Taxpayer Closing Costs	25,000	27,150	2,150
Investor Counsel Fees	5,000	50,000	45,000
Lender Legal Fees	15,000	12,000	(3,000)
Survey Costs	5,000	9,354	4,354
Accounting, Cost Cert & Carryover Fees	28,500	49,236	20,736
LHC Tax Credit Fees	33,000	20,108	(12,892)
Developer Fee	784,436	829,108	44,672
FF&E	16,300	-	(16,300)
Inspections	11,500	27,400	15,900
Market Study	4,500	4,400	(100)
Appraisal	5,000	5,500	500
Engineering	30,000	36,750	6,750
Environmental/Soils	5,000	21,500	16,500
Bond Costs	194,743	227,097	32,354
Other Construction & Dev. Costs	-	50,488	50,488
Soft Costs Total	1,581,300	1,756,780	175,480
Initial Operating Reserve	70,000	107,326	37,326
TOTAL	6,408,754	7,441,330	1,032,576